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SUBJECT: ICELAND REACTION: OPTIMISTIC TONE FOLLOWING MARCH  
31 BILATERAL DEFENSE TALKS

Ref A: Reykjavik 107

Ref B: Reykjavik 108

¶1. (SBU) Summary: The Government and news media of Iceland, for the most part, have echoed FM Haarde's cautious optimism over the round of bilateral defense talks in Reykjavik 3/31. The two leading newspapers published editorials praising the talks for providing the first step toward clarifying the defense issue and for demonstrating the seriousness with which the United States views the issue. The USG has promised a detailed EUCOM defense plan for Iceland in April - Haarde's degree of satisfaction with the plan should largely define media reaction. End Summary.

¶2. (U) Deputy Assistant Secretary of State Mark Pekala was widely quoted by the news media, telling the press after the talks that the U.S. Government is working on plans for the defense of Iceland and will evaluate defense requirements-the need for personnel and materiel-after the fighters had gone. He said the U.S. delegation had listened to the comments, questions, and ideas advanced by the Icelandic delegation. He added that more meetings would take place in the near future in Reykjavik, Washington and perhaps elsewhere. Mr. Pekala said he thought this work would lead to stronger defense for this country and for the United States.

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Ministerial Reaction  
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¶3. (U) Foreign Minister Geir Haarde told reporters after the March 31 defense talks (see Ref B) that the Icelandic Government did not have many options regarding defense. He said, "We will continue discussing the matter with friendly nations in NATO. but I do not consider it realistic to assume that other countries could take on the role that the United States has played here." "The next step," the Foreign Minister said, "is for [the Americans] to continue preparing plans for Iceland's defense, and then present them to us in a few weeks' time." He said he hopes Iceland's views are accommodated, and added that Iceland hopes the United States will clarify what it plans to do with certain facilities, such as the IADS radar stations.

¶4. (U) When asked whether he was more at peace now than when he received the March 15 phone call from U/S Burns, informing him of the decision to close the base, Haarde said: "Yes, I could say I am, as far as it goes. I think things are moving in the right direction, compared to what has gone before. We naturally hope that there will not be a defense vacuum here, and that whatever replaces the fighters will be sufficient. We want a credible defense, or plans for credible defense, which would ensure that no one would ever think of making a surprise attack on this country."

¶5. (U) Prime Minister Halldor Asgrimsson told reporters at a meeting of the Progressive Party March 31 that U.S. behavior

in recent weeks has been disappointing. He said the defense talks have been launched but that nothing new had been proposed. He said that once the U.S. presents its plan for the defense of Iceland, in about one month, if Iceland believes the plan is unsatisfactory, then it would consult with other NATO countries to explore other options.

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Opinion  
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¶6. (U) The generally upbeat mood of the Foreign Minister was reflected in editorials published by the two leading Icelandic newspapers over the weekend. Frettabladid (the largest circulation daily with a print run of 75,000), said a new chapter in relations has begun. Its editorial said: "This meeting had been anticipated with much excitement. No result came out of the meeting since everyone expected small steps to be taken at the beginning of the talks. After the meeting one could sense that the focus was clearer than before. Even if political leaders have different reactions to the meeting, the focus is clearer." Morgunbladid, the newspaper of record (52,000) that is close to Haarde's Independence Party, said in its editorial: "Even though we may have strongly disapproved of the way in which the United States went to work on the matter a few weeks ago, there is reason to welcome the seriousness with which that country is approaching this new task. The best option for Iceland, in the present state of affairs, is ongoing cooperation with the United States on defense. So, after the first negotiating session, there is cause to pin some hopes on these talks."

¶7. (SBU) Comment: Over the weekend, reporters and leader writers showed an inclination away from Asgrimsson's negativity towards Haarde's cautiously optimistic message -

let's see what the Americans will offer before we decide they're leaving us in the lurch. The USG has promised a detailed EUCOM defense plan for Iceland in April. Given what we've seen of his influence this weekend, Haarde's degree of satisfaction with that plan should largely define media reaction.  
End comment.

VAN VOORST